

WE CLAIM:

1. A method for conducting a transaction of a certain amount over a communications network between parties to a transaction including a consumer with a payment account number (PAN) and a merchant computer, said number being issued by an issuer, and involving a payment system including a merchant's acquirer computer and an issuer computer associated with said issuer, said payment system being accessible through a payment gateway, said method comprising:

generating a first message authorization request and forwarding said request to said payment gateway;

authenticating said parties by said gateway and returning to said merchant's computer an automatic authorization approval without first obtaining authorization from said issuer;

based upon said authentication and said automatic authorization approval, generating a second authorization request for authorizing said transaction using said PAN;

forwarding said request not to said payment gateway but to said payment system; and

authorizing or declining said second request at least based on said PAN and said amount of said transaction.

2. The method of claim 1 wherein said first message authorization request is formatted in compliance with a first certain protocol and said second authorization request is formatted by said merchant computer in compliance with a second certain protocol.

3. The method of claim 2 wherein said first certain protocol is a SET protocol and the second certain protocol is a SSL protocol; and wherein said payment gateway is a SET payment gateway.

4. A method for conducting a transaction over a communications network between a consumer with a payment account number (PAN) issued by an issuer and a merchant computer, said consumer having a consumer computer for conducting the transaction over the network with said merchant computer, and including a payment gateway for accessing a payment system, said payment system including an acquirer computer associated with said merchant and an issuer computer associated with said issuer, the method comprising:

generating by said consumer's computer a message authorization request;

packaging said message authorization request with a merchant's message authorization request;

encrypting said merchant authorization request;

forwarding said encrypted merchant's authorization request to said payment gateway;

decrypting by said payment gateway said merchant authorization request and authenticating the consumer and the merchant;

returning a message to said merchant's computer with an automatic authorization approval and said consumer's encrypted PAN without first obtaining authorization through said payment system;

opening said returned message to obtain said PAN;

forwarding a payment authorization request using said PAN to said payment system; and

providing by said acquirer computer an authorization or decline of said payment authorization request.

5. The method of claim 4 wherein said payment system is not accessed through said payment gateway.

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